

FCC MAIL SECTION

Federal Communications Commission

DA 99-1277

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Before the
Federal Communications Commission
Washington, D.C. 20554

DISPATCHED

In the Matter of)

Federal-State Joint Board on
Universal Service)

CC Docket No. 96-45 ✓

Forward-Looking Mechanism for
High-Cost Support for Non-Rural LECs)

CC Docket No. 97-160

Access Charge Reform)

CC Docket No. 96-262

ORDER**Adopted: June 29, 1999****Released: June 29, 1999****Revised Comment Date: July 23, 1999****Revised Reply Comment Date: August 6, 1999**

By the Chief, Common Carrier Bureau:

I. INTRODUCTION

1. In this Order, we grant in part and deny in part the requests of the United States Telephone Association (USTA),¹ Sprint Corporation (Sprint),² and the National Association of Regulatory Utility Commissioners (NARUC),³ for extensions of the comment date and the reply comment date for the universal service high-cost *Methodology Order*⁴ and *Inputs*

¹ Request For Extension of Time of the United States Telephone Association (filed June 15, 1999) (USTA Petition). According to USTA, it represents more than 1200 small, medium, and large communications companies worldwide. USTA Petition at 1, n.2.

² Memorandum in Support [of USTA Petition] (filed June 21, 1999) (Sprint Petition).

³ National Association of Regulatory Utility Commissioners Request for an Extension of Comment Periods (filed June 22, 1999) (NARUC Petition).

⁴ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Access Charge Reform*, CC Docket No. 96-262, *Seventh Report & Order and Thirteenth Order on Reconsideration* in CC Docket No. 96-45, *Fourth Report & Order* in CC Docket No. 96-262, and *Further Notice of Proposed Rulemaking*, FCC 99-119 (rel. May

FNPRM.⁵ For the reasons discussed below, we extend, for both the *Methodology Order* and the *Inputs FNPRM*, the comment date from July 2, 1999 to July 23, 1999, and the reply comment date from July 16, 1999 to August 6, 1999.

II. BACKGROUND

2. As part of its ongoing efforts to reform the universal service high-cost support mechanism pursuant to the Telecommunications Act of 1996, the Commission released the *Methodology Order* and the *Inputs FNPRM* on May 28, 1999.⁶ In the *Methodology Order*, the Commission adopted the framework for a new high-cost support mechanism for non-rural carriers.⁷ The new mechanism is designed to provide support based on the forward-looking costs of providing supported services, which will be determined by the Commission's cost model.⁸ The *Methodology Order* also contained a further notice of proposed rulemaking, which sought comment on certain issues regarding the implementation of the new forward-looking mechanism.⁹ In the companion *Inputs FNPRM*, the Commission sought comment on proposed input values for the cost model, such as the cost of cables, switches, and other network components.¹⁰ The Commission anticipates resolving the implementation issues and selecting input values in the fall of 1999, so that support for non-rural carriers can be provided by the new forward-looking mechanism beginning on January 1, 2000.¹¹

3. In order to meet this implementation schedule, while also allowing parties sufficient time for meaningful comment, the Commission set a comment date of July 2, 1999 and a reply comment date of July 16, 1999 for the both the *Methodology Order* and the

28, 1999) (*Methodology Order*).

⁵ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Forward-Looking Mechanism for High-Cost Support for Non-Rural LECs*, CC Docket No. 97-160, Further Notice of Proposed Rulemaking, FCC 99-120 (rel. May 28, 1999) (*Inputs FNPRM*).

⁶ The Telecommunications Act of 1996 amended the Communications Act of 1934, 47 U.S.C. § 151, *et seq.* See Pub. L. No. 104-104, 110 Stat. 56 (1996).

⁷ *Methodology Order*, FCC 99-119, paras. 28-93.

⁸ *Id.* at para. 3.

⁹ *Id.* at paras. 95-123.

¹⁰ *Inputs FNPRM*, FCC 99-120, para. 2.

¹¹ *Methodology Order*, FCC 99-119, para. 19.

Inputs FNPRM.¹² To assist parties in formulating their comments, the Common Carrier Bureau (Bureau) released preliminary results of cost model runs using the input values proposed in the *Inputs FNPRM*.¹³ In addition to these results, the Bureau also released an Excel spreadsheet that allows parties to calculate support amounts by adjusting the implementation variables discussed in the *Methodology Order* (i.e., the level of the national benchmark, the percentage of the cost of above the national benchmark to be supported, and the states' estimated responsibility for support).¹⁴

4. On June 15, 1999, USTA filed a request to extend the comment date and the reply comment date for the *Methodology Order* and the *Inputs FNPRM*.¹⁵ USTA acknowledges that it and its members "have expressed their desire to have this federal nonrural, high cost universal service proceeding move quickly to resolution."¹⁶ USTA asserts, however, that fully analyzing the proposals in the *Methodology Order* and the *Inputs FNPRM* requires the commitment of "substantial time and computing resources."¹⁷ USTA asks that its members and any other interested parties receive adequate time to respond to the Commission's proposals in order to allow for the development of a complete record.¹⁸ Accordingly, USTA requests that the comment date for the *Inputs FNPRM* be extended from July 2, 1999 to August 2, 1999, and the reply comment date be extended from July 16, 1999 to September 2, 1999.¹⁹ USTA also requests that the comment date for the *Methodology Order* be extended from July 2, 1999 to August 16, 1999, and the reply comment date be extended from July 16, 1999 to September 16, 1999.²⁰

5. Sprint and NARUC filed petitions in support of USTA's extension request on June

¹² *Methodology Order*, FCC 99-119, para. 139; *Inputs FNPRM*, FCC 99-120, para. 273.

¹³ *Common Carrier Bureau Releases Preliminary Results Using Proposed Input Values in the Forward-Looking Cost Model for Universal Service*, CC Docket Nos. 96-45, 97-160, Public Notice, DA 99-1165 (Com. Car. Bur., rel. June 16, 1999).

¹⁴ *Id.* at 2-3.

¹⁵ USTA Petition.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 2.

¹⁸ *Id.* at 4.

¹⁹ *Id.* at 3.

²⁰ *Id.*

21, 1999 and June 22, 1999, respectively.²¹ Sprint and NARUC echo USTA's concerns regarding the adequacy of the comment periods,²² and seek the same extensions requested by USTA.²³

III. DISCUSSION

6. Section 1.46(a) of the Commission's rules states that "[i]t is the policy of the Commission that extensions of time shall not be routinely granted."²⁴ Although we regularly adhere to this general policy, we recognize that the issues involved in the *Methodology Order* and the *Inputs FNPRM* are complex. The Commission has asked commenters to analyze large amounts of data and address complicated methodological questions. Moreover, the appropriate resolution of these issues is fundamental to the Commission ability to achieve Congress's goals of preserving and advancing universal service in an increasingly competitive telecommunications marketplace.²⁵ We also observe that the requests for relief come from entities representing a broad range of the telecommunications industry²⁶ and the regulatory community.²⁷ For all of these reasons, we conclude that an extension of the comment date and the reply comment date for the *Methodology Order* and the *Inputs FNPRM* would serve the public interest.

7. The Commission has expressed its intention, however, that the outstanding issues concerning the high-cost support methodology and the cost model input values be decided in sufficient time so that the new forward-looking high-cost support mechanism for non-rural carriers may begin providing support on January 1, 2000.²⁸ We observe that, in addition to the Commission adopting orders resolving these remaining issues, the Universal Service Administrative Company (USAC) will also need time to implement the Commission's decisions. We conclude that granting the full amount of the requested extensions would jeopardize the scheduled implementation of the new support mechanism on January 1, 2000.

²¹ Sprint Petition at 1; NARUC Petition at 2.

²² Sprint Petition at 2; NARUC Petition at 3.

²³ Sprint Petition at 3; NARUC Petition at 2.

²⁴ 47 C.F.R. § 1.46(a).

²⁵ See 47 U.S.C. § 254(b).

²⁶ See USTA Petition.

²⁷ See NARUC Petition.

²⁸ *Methodology Order*, FCC 99-119, para. 19.

We believe that more limited extensions would still allow interested parties an opportunity for meaningful comment, while giving the Commission and USAC sufficient time to implement the new mechanism as scheduled. The initial comment date (July 2, 1999) and reply comment date (July 16, 1999), were five weeks and seven weeks, respectively, from the release date (May 28, 1999). We believe that extending the comment date to eight weeks from release and the reply comment date to ten weeks from release should be adequate to address the petitioners' concerns while allowing the Commission and USAC to maintain the implementation schedule. Accordingly, we grant petitioners' extension requests in part and deny them in part. Comments regarding the *Methodology Order* and the *Inputs FNPRM* are due on July 23, 1999, and reply comments are due on August 6, 1999.

8. We encourage all commenters to frame their comments in light of the interrelationship between the *Methodology Order* and the *Inputs FNPRM* and to make those comments as specific as possible. We ask, however, that commenters file separate comments in each proceeding so that the Commission will have a complete and distinct record for each proceeding. We encourage commenters to include cross-references between their separate comments where appropriate.

IV. ORDERING CLAUSES

9. IT IS ORDERED that, pursuant to sections 1, 4(i), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 254, and sections 0.91, 0.291, and 1.46 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.46, that the Request For Extension of Time filed by the United States Telephone Association on June 15, 1999 is GRANTED IN PART AND DENIED IN PART to the extent stated herein.

10. IT IS FURTHER ORDERED that, pursuant to sections 1, 4(i), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 254, and sections 0.91, 0.291, and 1.46 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.46, that the Memorandum in Support filed by Sprint Corporation on June 21, 1999 is GRANTED IN PART AND DENIED IN PART to the extent stated herein.

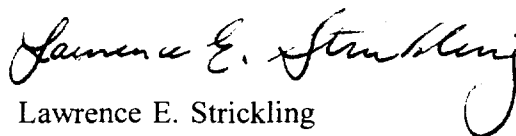
11. IT IS FURTHER ORDERED that, pursuant to sections 1, 4(i), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 254, and sections 0.91, 0.291, and 1.46 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.46, that the Request for an Extension of Comment Periods filed by the National Association of Regulatory Utility Commissioners on June 22, 1999 is GRANTED IN PART AND DENIED IN PART to the extent stated herein.

12. IT IS FURTHER ORDERED that, pursuant to sections 1, 4(i), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 254, and sections 0.91, 0.291, and 1.46 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.46, the

comment date for the *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Access Charge Reform*, CC Docket No. 96-262, Seventh Report & Order and Thirteenth Order on Reconsideration in CC Docket No. 96-45, Fourth Report & Order in CC Docket No. 96-262, and Further Notice of Proposed Rulemaking, FCC 99-119 (rel. May 28, 1999) is extended from July 2, 1999 to July 23, 1999, and the reply comment date for the same is extended from July 16, 1999 to August 6, 1999.

13. IT IS FURTHER ORDERED that, pursuant to sections 1, 4(i), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 254, and sections 0.91, 0.291, and 1.46 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.46, the comment date for the *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Forward-Looking Mechanism for High-Cost Support for Non-Rural LECs*, CC Docket No. 97-160, Further Notice of Proposed Rulemaking, FCC 99-120 (rel. May 28, 1999) is extended from July 2, 1999 to July 23, 1999, and the reply comment date for the same is extended from July 16, 1999 to August 6, 1999.

FEDERAL COMMUNICATIONS COMMISSION



Lawrence E. Strickling
Chief, Common Carrier Bureau